

CONTRACT #6
RFS # 350.50-052

Finance & Administration
Insurance Division

VENDOR:
Policy Studies, Inc.



RECEIVED

JUN 18 2007

FISCAL REVIEW

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
INSURANCE ADMINISTRATION

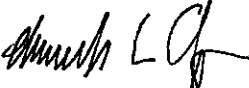
312 Eighth Avenue North
Suite 2600 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
FAX (615) 253-8556

Dave Goetz
COMMISSIONER

Richard Chapman
EXECUTIVE DIRECTOR

MEMORANDUM

To: James White, Executive Director, Fiscal Review Committee

From: Richard Chapman 

Date: June 15, 2007

RE: Request for Amendment # 1 to the Policy Studies Inc. contract

Please find attached a Non-Competitive Amendment request to amend the existing contract with Policy Studies Inc. signed by Commissioner Goetz. The contract with Policy Studies Inc. is for the provision of eligibility determination, application processing and beneficiary services for the CoverKids program. The amendment would add print and production responsibilities to the current scope of services and enable the Contractor to provide these services for the State in the printing and production of approximately one million applications to be distributed to children starting school in the late summer and early fall.

The timeline established by the Department of Education to ensure the inclusion of the applications in the back to school packet provided to each child necessitates the amendment enabling Policy Studies Inc. to provide this service for the State. The amendment to the Policy Studies Inc. contract will enable the Department of Finance and Administration, Division of Insurance Administration to meet the requested time lines established by the Department of Education. Consultants to the Division and staff from the Federal granting agency have consistently re-enforced the need to continue to provide information regarding the benefits and eligibility of the CoverKids program. This program, the SCHIP program within Tennessee, is replicating the experience of other states when they initially launched these programs and realize the importance of a continuing need to make eligibility and benefit information available to Tennesseans.

The base contract is included as is a draft of the amendment created to address the additional responsibilities for print and production.

Thank you for your consideration of this request.

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	350.50-052-07	
2) State Agency Name :	F&A – Insurance Administration	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	To provide eligibility determination, application processing and beneficiary services for the CoverKids plan.	
4) Contractor :	Policy Studies Inc.	
5) Contract #	FA-07-20295-00	
6) Contract Start Date :	February 20, 2007	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	December 31, 2009	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$10,600,000	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	1	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	June 15, 2007	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	December 31, 2009	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$10,600,000	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
This amendment will revise the scope of services and the payment methodology to include print and production responsibilities and method of payment for those services when authorized by the State. Currently, the Contractor is responsible for responding to requests for applications made directly by an applicant for CoverKids and providing the applicant with an application and a return postage paid envelope. A distribution of		

applications is planned for the late summer to coincide with the beginning of the school year and requires the printing and distribution of approximately one million applications. This type of mass printing and distribution was not anticipated during the competitive negotiation process resulting in the current Contractor. The cost proposal did not address this activity and currently there is not a provision within the scope of services or the payment methodology to accommodate this service. Language to address both areas is included in Amendment #1.

15) Explanation of Need for the Proposed Amendment :

This amendment would allow the State to authorize the Contractor to seek competitive bids for the printing and distribution to school systems statewide in order for the CoverKids applications to be included in school packets provided to all children attending public schools within Tennessee.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

Policy Studies Inc., 1875 Lawrence Street, Suite 1500, Denver, CO 80202

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

In order to meet the requirements set forth by the Department of Education for availability of the CoverKids applications at the school systems statewide, the current Contractor is in the most advantageous position to secure the printing and distribution of the one million CoverKids applications and make them available to the school systems within the parameters of the Department of Education timeline request.

21) Justification for the Proposed Non-Competitive Amendment :

The State has been advised through consultants and the granting Federal agency that the benefits provided under the CoverKids plan as Tennessee's SCHIP program must be marketed in a variety of methods in order to penetrate those families who may be eligible for these services. The experience in other states has been that enrollment develops over time and the need to provide information concerning the availability of the benefit to children's health remains relatively constant throughout the plan availability.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

Agency Head Signature

Date



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
INSURANCE ADMINISTRATION**

312 Eighth Avenue North
Suite 2600 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
FAX (615) 253-8556

Dave Goetz
COMMISSIONER

Richard Chapman
EXECUTIVE DIRECTOR

MEMORANDUM

To: Commissioner M. D. Goetz, Jr.

From: Richard Chapman 

Date: June 15, 2007

Re: Contract Start Date

This is to request a start date for the amendment to the contract with Policy Studies Inc. to revise the scope of services to include responsibility for print and production services on the part of the Contractor when authorized by the State.

This contract secures the services of Policy Studies Inc. to secure bids and services to print and produce approximately one million applications to be distributed to children starting school in the late summer and early fall. The timeline established by the Department of Education to ensure the inclusion of the applications in the back to school packet provided to each child necessitates the amendment enabling Policy Studies Inc. to provide this service for the State.

C O N T R A C T S U M M A R Y S H E E T

8-8-05

RFS #	Contract #
350.50-052-07	FA-07-20295-
State Agency	State Agency Division
Dept. of Finance and Administration	Division of Insurance Administration
Contractor Name	Contractor ID # (FEIN or SSN)
Policy Studies Inc.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 84-093-8521

Service Description			
To provide eligibility determination, application processing and beneficiary services for the CoverKids program.			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
February 20, 2007	December 31, 2009	Vendor	

Mark, if Statement is TRUE					
<input checked="" type="checkbox"/> Contractor is on STARS as required			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.04	50	083	11		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007			\$1,500,000		\$1,500,000
2008			\$3,700,000		\$3,700,000
2009			\$3,700,000		\$3,700,000
2010			\$1,700,000		\$1,700,000
TOTAL:			\$10,600,000		\$10,600,000

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Maureen Abbey 20 th Floor, Tennessee Tower 615-741-6070
FY: 2007	\$1,500,000		State Agency Budget Officer Approval
FY: 2008	\$3,700,000		
FY: 2009	\$3,700,000		
FY: 2010	\$1,700,000		
TOTAL:	\$10,600,000.00		Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
End Date:	December 31, 2009	December 31, 2009	

Contractor Ownership			
<input type="checkbox"/> African American	<input type="checkbox"/> Disabled	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input checked="" type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> OTHER minority/disadvantaged—			
Contractor Selection Method			
<input type="checkbox"/> RFP	<input checked="" type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Government	<input type="checkbox"/> Other	

Procurement Process Summary
The process described in the request to procure a vendor by a competitive negotiation process was followed. The evaluation of the technical and cost proposals was completed in the manner described in documents provided to the proposers.

**AMENDMENT ONE
TO CONTRACT NUMBER FA-07-20295-00**

This contract, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the State, and Policy Studies Inc. (PSI), hereinafter referred to as the Contractor, is hereby amended as follows:

1. Add the following as Section A.15 and renumber any subsequent sections as necessary.

A.15 Print/Production and Mass Mailing. The Contractor shall procure print/production and mass mailing service upon authorization from the State. The Contractor shall procure such service on a competitive basis, document the competitive basis and provide the documentation to the State. The State shall provide to the Contractor either the exact copy of material to be printed and distributed or request the Contractor to draft for approval by the State the material to be printed. The State will provide to the Contractor specifications regarding the format and print requirements, the timeframe for the print project, including but not limited to pertinent completion dates for the materials to be printed and mailed, and any additional material to include in the competitive bid such as postage paid envelopes or other items.

2. Add the following as Section C.3.1 and renumber any subsequent sections as necessary.

C.3.1 Print/Production and Mass Mailing. The State may authorize the Contractor to procure print/production and mailing service the cost of which is not remunerated in accordance with preceding contract sections. In which case, the Contractor shall procure such service on a competitive basis, document the competitive basis and provide the documentation to the State. For each print/production and mass mailing service approved by the State in advance, the State shall reimburse the Contractor for the Contractor's actual net cost of the service and shall compensate the Contractor in an amount no less than \$200 and no greater than \$2,000 for the Contractor's actual cost to procure bids and oversee the print, production and mass mailing of the applications or other requested documents. Said payment shall constitute the total amount payable to the Contractor for any and all costs associated with a print/production and mass mailing service. The Contractor shall not be reimbursed or compensated for any print/production and mass mailing service not approved by the State in advance.

The other terms and conditions of this contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

POLICY STUDIES INC.:

MARK A. LEVY, PRESIDENT OF POLICY STUDIES INC.

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE

COMPTROLLER OF THE TREASURY:

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

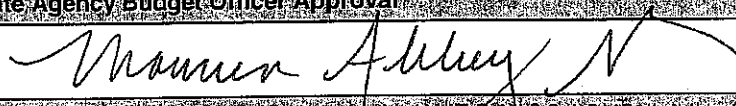
CONTRACT SUMMARY SHEET

8-8-05

RFS #	Contract #
350.50-052-07	FA-07- 20295-00
State Agency	State Agency Division
Dept. of Finance and Administration	Division of Insurance Administration
Contractor Name	Contractor ID # (FEIN or SSN)
Policy Studies Inc.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 84-093-8521

Service Description			
To provide eligibility determination, application processing and beneficiary services for the CoverKids program.			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
February 20, 2007	December 31, 2009	Vendor	

Mark if Statement is TRUE					
<input checked="" type="checkbox"/> Contractor is on STARS as required			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.04	50	083	11		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$1,500,000				\$1,500,000
2008	\$3,700,000				\$3,700,000
2009	\$3,700,000				\$3,700,000
2010	\$1,700,000				\$1,700,000
TOTAL	\$10,600,000				\$10,600,000

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #	
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Maureen Abbey 20 th Floor, Tennessee Tower 615-741-6070	
FY: 2007			State Agency Budget Officer Approval	
FY: 2008			 Funding Certification (Certification required by T.C.A. § 9-4-5113 that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)	
FY: 2009				
TOTAL				
End Date				

Contractor Ownership					
<input type="checkbox"/> African American	<input type="checkbox"/> Disabled	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT minority/disadvantaged	
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged		
Contractor Selection Method					
<input type="checkbox"/> RFP	<input checked="" type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Competitive Method		
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Government		<input type="checkbox"/> Other		

Procurement Process Summary
The process described in the request to procure a vendor by a competitive negotiation process was followed. The evaluation of the technical and cost proposals was completed in the manner described in documents provided to the proposers.